

**Los Angeles County
Board of Supervisors**

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November 09, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

**APPROVAL OF AMENDMENT TO INPATIENT INTENSIVIST AND
HOSPITALIST SERVICES AGREEMENT
(SUPERVISORIAL DISTRICTS 1, 2 and 4)
(3 VOTES)**

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Los Angeles, CA 90012

Tel: (213) 240-8101
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SUBJECT

www.dhs.lacounty.gov

To improve health

through leadership,

service and education.

Request approval of an Amendment to the Inpatient Intensivist and Hospitalist Services Agreement to extend the term for two years and add clarifying language.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute Amendment No. 7 to Agreement No. 75936 (Agreement) with Primary Critical Care Medical Group (PCCMG) for Inpatient Intensivist and Hospitalist (IIH) Services, effective upon Board approval, to: i) extend the term of the Agreement for a period of two years, for the period December 1, 2010 through and including November 30, 2012, at a maximum cost of \$12,016,000 for the extended term; and ii) add language to clarify certain provisions.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow the Interim Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, for the continued provision of IIH Services at Rancho Los Amigos National Rehabilitation Center (RLANRC), Harbor-UCLA Medical Center (H-UCLA MC) and LAC+USC Medical Center (LAC+USC MC). The current agreement expires November 30, 2010.

IIH Services provide coordinated care and transition of patients from Emergency Departments (ED) to inpatient care. RLANRC has utilized the Agreement to obtain IIH Services to support the admission and census capacity it created in response to the closure of Martin Luther King, Jr. – Harbor Hospital (MLK-H). Continued access to this contracted service is needed in order for the facility to maintain access to these critically needed inpatient beds.

As one of a number hospitals and EDs impacted by the closure of MLK-H, H-UCLA MC was added as an end-user to the Agreement as a strategy to acquire immediate assistance after receiving an Immediate Jeopardy citation from the Centers for Medicare and Medicaid Services (CMS) in 2008. H-UCLA MC reports that utilizing IIH Services allowed the facility to add hospital admission capacity and census capacity to assist with moving admitted patients out of the ED onto the hospital floor and into inpatient beds. The use of IIH Services continues to be part of H-UCLA MC's overall plan to decompress its ED and is therefore needed continuously.

IIH Services also continue to be needed at LAC+USC MC to maintain improved ED patient flow. The placement of Hospitalists at LAC+USC MC's ED to identify emergency patients eligible for transfer to RLANRC has added admission and census capacity at LAC+USC MC by transferring patients out of LAC+USC MC's ED and admitting those patients directly into RLANRC inpatient beds.

In addition to extending the agreement term, the recommended Amendment adds language to help clarify the roles and responsibilities of PCCMG physicians under the Agreement, including but not limited to, participation in patient care related committees and meetings arranged by Rancho.

DHS recognizes that the Agreement was originally intended to provide a short-term solution to assist MLK-H prior to its closure, and over time its use has expanded to address related and other similar issues. Considering the variables that may impact the Department's use of IIH Services in the next few years, e.g., implementation of Health Care Reform and the opening of the new MLK hospital, it is unknown at this time when or whether the use of contracted IIH Services may be reduced or terminated. The Department will use the extended term as an opportunity to continue preparing for these impending events, determine its long-term need for these services and, if appropriate, solicit another vendor, or provide an internal solution.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County's maximum obligation for the extended term, December 1, 2010 through November 30, 2012, is \$12,016,000.

Funding for the extended term is included in the Department of Health Services' Fiscal Year 2010-11

Final Budget, and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 22, 2006, CMS announced that it intended to revoke its certification of MLK-H (referred to at the time as Martin Luther King-Charles R. Drew Medical Center), effective November 30, 2006. Soon thereafter Charles R. Drew University of Medicine and Science (University) determined to voluntarily withdraw its Accreditation Council for Graduate Medical Education (ACGME) accreditation of the University and all 15 ACGME sponsored program effective July 1, 2007. While the University's intent was that all physician residents would be able to complete the academic year under its sponsorship, the residents completed their training through rotations in facilities other than MLK-H, effective December 1, 2006.

As a direct result of the loss of resident physician services, the Department had an urgent need to contract for certain full-time physician services to allow for the continued provision of medical services to the community, most immediately to staff the ED at MLK-H and to provide supplemental IIH Services at that facility, as well as to other County facilities to offset the shift in patient care services under the Metrocare Plan.

On November 28, 2006, your Board made a finding pursuant to Los Angeles County Code section 2.121.420 that the IIH Services can more feasibly be performed by independent contracts. In concert with the finding, your Board delegated authority to the Director of Health Services to negotiate and for the Chair of the Board to execute agreements related to the implementation of Metrocare, including arranging for the provision of IIH services at MLK-H, for the period December 1, 2006 thru November 30, 2007, with an option for the County to extend the agreement on an annual basis through November 30, 2011, on condition that all contract extensions beyond the initial term limit be approved by the Board. Agreement No. 75936 with PCCMG was executed on November 30, 2006. This Agreement included provisions requiring the Contractor to bill all patient programs (other than Medicare and Medi-Cal), private insurance, as well as patients with no identified third party payer or without a completed Ability-to-Pay Plan Agreement. However, on January 23, 2007, your Board approved Amendment No. 1 to the PCCMG Agreement, in response to a request from the parties, to transfer the responsibility for physician program billing and reimbursement from PCCMG to the County.

Pursuant to delegated authority granted by your Board on August 13, 2007, the Department of Health Services (DHS) executed Amendment No. 2 to delete IIH Services for MLK-H, allowed for the provision of IIH Services at Rancho, under the same terms and conditions, and delegated authority to the DHS to add additional County health care facilities. Subsequent Amendments were executed to extend the term of the Agreement and add IIH Services for H-UCLA MC and LAC+USC MC.

The Current Agreement includes language allowing either party to terminate the Agreement, with or without cause, with a 30-day advance written notice to the other party. However, PCCMG has agreed to revised language included in the Amendment that increases their notice time to the County to 120-days advance written notice.

The Agreement includes all Board of Supervisors' required provisions.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will allow the provision of IIH Services to continue uninterrupted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:ja

Enclosures

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel

**INPATIENT INTENSIVIST AND HOSPITALIST
SERVICES AGREEMENT**

AMENDMENT NO. 7

THIS AMENDMENT is made and entered into this _____ day
of _____ 2010,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

PRIMARY CRITICAL CARE
MEDICAL GROUP
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "INPATIENT INTENSIVIST AND HOSPITALIST SERVICES AGREEMENT" dated November 30, 2006, and further identified as County Agreement No. 75936, and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, pursuant to California Health and Safety Code, Sections 1441 and 1445, County has established and operates, through its Department of Health Services (hereinafter "Department" or "DHS"), various County hospitals, comprehensive health centers and health centers, including Harbor – University of California at Los Angeles (hereinafter "Harbor-UCLA") Los Angeles County + University of Southern California Medical Center (hereinafter "LAC+USC Medical Center") and Rancho Los Amigos National Rehabilitation Center (hereinafter "Rancho"); and

WHEREAS, the parties are desirous of amending the Agreement to extend the term of the Agreement for two (2) years, to allow Harbor-UCLA, LAC+USC Medical Center and Rancho to continue utilizing the Contractor's services under the Agreement,

and update provisions under the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective _____.
2. The term of this Agreement is hereby extended for two (2) years, beginning December 1, 2010 through and including November 30, 2012.

3. The second paragraph under Paragraph 1, TERM AND TERMINATION, of Agreement shall be deleted in its entirety and replaced with the following:

“This Agreement may be terminated at any time by County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor. Contractor may terminate this Agreement at any time, with or without cause, upon the giving of at least one hundred twenty (120) calendar days' advance written notice thereof to the County.”

4. Paragraph 3, MAXIMUM OBLIGATION, of Agreement shall be deleted in its entirety and replaced with the following:

“3. AGREEMENT SUM:

A. As to the provision of services at MLK-H:

- 1) For that period December 1, 2006 through August 31, 2007, or such earlier date as the Director of Health Services shall establish in accordance with the inpatient census at MLK-H, the Maximum Obligation for those

services shall not exceed Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000).

B. As to the provision of services at Rancho:

- 1) For that period August 14, 2007 through November 30, 2007, the Maximum Obligation for those services shall not exceed One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000).
- 2) For that period December 1, 2007 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).
- 3) Beginning December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Seven Million Dollars (\$7,000,000).

C. As to the provision of services at Harbor-UCLA:

- 1) For that period May 6, 2008 through November 30, 2008, the Maximum Obligation for services provided shall not exceed Eight Hundred Nine Thousand Dollars (\$809,000).
- 2) For that period December 1, 2008 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Two Million Eight Hundred Twenty Thousand Dollars (\$2,820,000).
- 3) Beginning December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Five Million Sixteen Thousand Dollars (\$5,016,000).

- D. As to the provision of services at LAC+USC Medical Center:
- 1) For that period November 18, 2008 through November 30, 2010, the Maximum Obligation for services provided shall be Four Hundred Nineteen Thousand Four Hundred Forty Dollars (\$419,440) and shall be incorporated in the Maximum Obligation for Rancho, in subparagraph 3.B.2 above, not to exceed a total combined for the two facilities of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).
 - 2) Beginning December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Four Hundred Nineteen Thousand Dollars (\$419,000) and shall be incorporated in the Maximum Obligation for Rancho, in subparagraph 3.B.3 above, not to exceed a total combined for the two facilities of Seven Million Dollars (\$7,000,000).
- E. The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has

incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to (Department) at the address herein provided in Exhibit E - County's Administration.

**No Payment for Services Provided Following Expiration/
Termination of Contract**

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract."

5. Subparagraphs 2.F and 2.G to Exhibit C, DESCRIPTION OF SERVICES – RANCHO, shall be deleted in their entirety and replaced with the following:

"F. Only physicians meeting the County's criteria outlined hereunder and who are acceptable to Rancho's Administration shall be assigned to Rancho.

G. Contractor shall ensure the admitting, rounding, managing, discharging of, and consulting for, Rancho's ICU, Med/Surg, or other patients, in accordance with all local, state, federal regulatory, accrediting and licensing agency requirements.

H. Discharge planning shall be coordinated with Rancho's Case Management, Social Work and Utilization Review teams.

I. Contractor shall participate in patient care related committees and meetings. These committees and meetings include, but are not limited to:

1. Utilization Review Committee
2. Critical Care Committee
3. Joint Operating Meeting
4. Patient Experience
5. Pharmacy and Therapeutic
6. Quality Assurance and Performance Improvement

J. Inpatient Intensivist and Hospitalist services shall be performed only for the benefit of County patients and shall be under the direction of Rancho's Medical Director. Rancho shall retain professional and administrative responsibility for the services provided under this Agreement. Such services shall include, but are not limited to, the following:

1. Intensivist and Hospitalist services as set forth in Paragraph 2, with specific times, places, and dates scheduled in advance, in writing, and agreed upon by Rancho's Medical Director, or his/her designee, and Contractor's Intensivist and Hospitalist Medical Director-Rancho.

6. Except for changes set forth hereinabove, the wording of the Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

CONTRACTOR

By _____
(Printed Name)

(Signature)

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:

By _____
Deputy County Counsel